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Iran
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RESEARCH STUDY

BUREAU OF INTELLIGENCE AND RESEARCH

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IRAN: ARMS AND THE SHAH

The Shah of Iran has expressed interest in reaching an understanding with the United States to assure the supply of sophisticated American arms to Iran until 1980. He is, among other things, looking forward to receiving a newer generation of fighter aircraft than the F-4 Phantoms he is now getting. It is therefore timely to examine Iran's current strategic posture and concomitant military needs, and to attempt to relate U.S. interests to possible future developments in the Shah's "independent national policy."

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ABSTRACT

The celebration last October of 2500 years of the Iranian monarchy serves as a useful reference point in assessing the emergence of Iran as an independent political and military power in the Persian Gulf, especially as it affects Iran's relations with the United States and has intensified the perennial Iranian feud with Iraq.

The Shah has made clear the purpose of Iran's "independent national policy." The buildup in Iranian military strength in anticipation of British military withdrawal from the Gulf means that Iran intends to play a predominant role in the Persian Gulf area, free of great-power restraints, now that the British military presence has departed.

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The Shah wants Iran to be a leading force in the protection of the Gulf against subversion or military attack by radical Arab regimes. To this end, he has built up a substantial military establishment equipped with late-model American, British, and Soviet weapons. He has plans for even more elaborate military forces.

While he is immediately concerned with the threat posed by Iraq, the Shah's strategic interests center on the Persian Gulf and extend into the Indian Ocean. He has seized upon that part of the Nixon Doctrine which emphasizes the responsibility of regional powers for the defense and security of specific areas, and believes Iran can fulfill this role in its region.

The Shah's effort to assume that role may introduce strains into the long-standing U.S.-Iran military supply relationship, as he increasingly judges U.S. support for Iran by its willingness to supply the arms he wants. Moreover, the increasingly assertive role of Iran in the region may to some extent diverge from U.S. interests in the Gulf. While no sharp estrangement is likely between the U.S. and Iran, the ties between the two countries may eventually become looser. The possibility of Iran-Iraq hostilities and of growing political tension in Iran are factors which could also complicate U.S. policy in the Gulf.

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"We appreciate friendship but are not affected in the slightest way by what is said about us by biased people. By the grace of God, with or without outsiders, we shall reap the benefit of our own effort. We will regain our past prestige.

"It is quite natural that now when imperialism is leaving this region, those areas which historically belonged to us should come back to us. I can assure you that we intend to play a positive role in the stability of the region so that the liberty and independence of all countries is protected. We will certainly respect their rights. By the grace of God, we have a sufficiently large country and are not looking for more, but we intend to defend our historical rights.

"...Iran's military force will be one of the most powerful and effective powers in this region... our aim is to implement a policy that would safeguard stability in this region and prevent any aggressive designs... anyone who has aggressive designs in this region should know what kind of force he would have to deal with."

(Shah of Iran's post-Persepolis press conference, Tehran, October 18, 1971)

The celebration last October of the 2500th anniversary of the Persian monarchy marked for Shah Mohammed Reza Pahlevi a new stage in the development of Iran's "independent national policy," as the quoted statements demonstrate. Nor were these remarks intended merely as brave words, for the Shah conveyed much the same message in private to visiting foreign statesmen. To put it succinctly, Iran intends to play a prominent role in the Persian Gulf, and even in the Indian Ocean, now that British military forces have left the area; if necessary, Iran is also prepared to deal militarily with Iraq, which the Shah considers the region's arch-troublemaker. To support its policy, Iran has created an impressive modern military force which will continue to receive the best modern non-nuclear equipment the Shah can procure.

The Challenge

The termination of Britain's military role in the Persian Gulf has compelled the Shah to focus on Iran's future role, which he sees as that of a strong, independent power capable of protecting its interests and

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insuring stability throughout the Gulf. In the Shah's view, the changed situation in the Gulf will provide new opportunities for radical Arab regimes and movements to step up their attempts to subvert the Arab states on the western and southern shores of the Gulf. He fears the spread of radical military adventures similar to the guerrilla war troubling western Oman.

The Shah perceives the radical threat as a direct concern to Iran. All of Iran's vital petroleum exports must transit the Gulf, and all its major ports are located on the Gulf, or on the Shatt al 'Arab which empties into the Gulf. Access to the Gulf is thus central to Iran's economic well-being and security. It was this fact that underlay the Shah's insistence on obtaining control of the lower Gulf islands of the Tunbs and Abu Musa, near the Strait of Hormuz. The same concern also explains Iran's recent rapprochement with Egypt after a ten-year break in relations. While the Shah distrusted Nasser as the source of all evil in the radical Arab world, he regards Sadat as a possible counterweight to radical, unpredictable Iraq.

Iran's differences with Iraq are of long standing and center on the location of the boundary and control over shipping in the Shatt al 'Arab. More recently, Iraq has emerged as a threat to the stability and security of the Persian Gulf through its sponsorship of subversion and discord in the coastal sheikhdoms.

In talking to U.S. officials, the Shah has also stressed his fears of increased Soviet penetration of the Gulf. As a practical matter of policy he probably continues to believe that the Soviets attach major value to good bilateral relations with Iran and that a direct Soviet military move against Iran is unlikely. He is more concerned about Soviet support of radical Arab regimes such as those in Iraq and South Yemen or those that might emerge in the Gulf. His fears of "Soviet encirclement," most recently expressed in connection with the USSR's support for India in the Indo-Pakistani war, are very real and intensify his sense of need for continued U.S. support.

For the long term, however, he envisages the development of regional power centers (Iran, Saudi Arabia, India, Pakistan) capable of excluding undue great-power influence from the Gulf and the Indian Ocean without reliance on any foreign alliance.

Iran's Response: Strength

For most of the past decade the Shah justified his need to build up his armed forces by pointing to the lavish amounts of equipment the

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Soviets were supplying to Iraq, Syria, and Egypt. Now Iran is strong enough to meet a direct military threat from Iraq. Military support for Iraq from Egypt and Syria is very unlikely under present circumstances. However, now that the British have withdrawn from the Gulf, the Shah sees a need for an Iranian deterrent to radical Arab action in the Gulf and the Arabian Peninsula. To fulfill this more ambitious mission, the Shah wants to further enhance Iran's military power. Iran has the necessary funds, since its oil revenues have grown to over \$1.8 billion annually in the past fifteen years. The Iranian military budget for FY 1972 totalled \$1,023 million, 22 percent of the total budget and 10 percent of the Iranian GNP. Its expenditures for military purchases abroad now total more than \$600 million annually.

Iraq-Iran Armed Forces: Comparison

The 8,500-man Iraqi air force, which Iran views as its most immediate threat, has in its inventory 91 MIG-21 aircraft, of which perhaps two-thirds are operational. In addition, it has 33 MIG-17's, 46 Hawker Hunters, and 62 SU-7 Fitters, virtually all operationally assigned. It has some potential strategic capability, with 9 TU-16 bombers. In 1971, 150 of the 260 Iraqi pilots were jet-qualified, and 90 were listed as combat-ready. Additional pilots are being trained, primarily in the Soviet Union. The air force suffers from a generally low level of education, training, morale, and discipline, and has been further reduced in effectiveness by repeated political purges.

The Iranian air force inventory now includes 56 F-4 Phantom jet fighters and 109 F-5's. Present plans call for Iran's F-4 strength to be increased to 128 or more by 1975. The 26,000-man Iranian air force in 1971 included 312 pilots, of whom 220 were jet-qualified and 115 were listed as combat-ready. Ongoing pilot training, in Iran and the United States, is constantly adding to that total. While qualitative comparisons are risky, the Iranian air force is clearly superior to the Iraqi in motivation, training, organization, and mastery of technical maintenance, although Iran still depends on U.S. personnel for some aspects of advanced maintenance of its F-4 aircraft.

On the ground, the Iraqi army boasts an inventory of good Soviet equipment, including 784 tanks (700 of them T-54/55), 1,080 APC's, and 705 artillery pieces. However, the low morale and poor standard of training of its 90,000 men, compounded by a weak logistics system, limit severely the army's offensive capabilities.

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The Iranian army's present equipment inventory is not markedly superior to Iraq's, with 862 tanks (402 M-47, 460 M-60), 881 APC's, and 1,254 artillery pieces, but the training, organization, morale, and technical effectiveness of Iran's 152,000 troops are clearly superior. Since 1967 the mobility of Iran's ground forces has been enhanced by large purchases of Soviet military trucks and APC's, and by the acquisition of U.S.-built C-130's (34 on hand, with a total of 50 planned).

The Iraqi navy has no combat capability. The Soviet Union has failed to deliver Komar missile boats promised under an old contract. In contrast, the Iranian navy has one newly-refitted ex-UK destroyer, twelve patrol craft, and eight British-built hovercraft. Four more new British-built frigates are now being delivered, and by late 1972 two more reconditioned ex-USN destroyers should arrive in Iran.

The bulk of the Iranian army and air force and all of the navy are disposed along or within reach of the border with Iraq or in the Persian Gulf. As there are no reserves, this force in being constitutes the entire existing deterrent capability of Iran. The Shah's future plans, to the extent they are known, are designed to add formidable dimensions to this deterrent.

More Equipment To Come

A pilot himself, the Shah is adamant that Iran must have next-generation fighter aircraft such as the F-15. He is periodically lobbied by the French, the Soviets, and most recently the British and Germans jointly, and he follows closely developments in aircraft design outside the United States. However, he says he wants to keep his air force American-equipped. He recently proposed that firm assurances be offered to extend U.S. military sales to Iran up to 1980.

In addition to wanting more sophisticated aircraft, the Shah has indicated for some time that he desires an aerial refuelling capability to extend the range of his F-4's across the Gulf and out into the Indian Ocean. (He thought about an aircraft carrier but decided it would be too expensive.) He has considered the idea of a major new Iranian naval base at Chah Bahar on the Gulf of Oman near the Pakistan border. Should this idea be carried out, Iran would have a base well beyond the Strait of Hormuz. The Shah would also like a deepwater navy for Indian Ocean operations, which would require bigger ships than he now has. In the missile field, Iran is asking for more Hawk missiles, and the Shah has inquired about sophisticated anti-SAM missiles. His navy has British naval missiles, and the U.S. has undertaken to provide other naval missiles.

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Iran has ordered some 300 British Chieftain tanks and apparently has options on about 400 more. In addition to Soviet 130 mm artillery, the Iranians intend to purchase 52 U.S.-built 175 mm/8" self-propelled guns. Iran's retrofit facility to modernize and up-gun its M-47 tanks should get into production late this year. Iran now has over 165 helicopters; and the airmobile infantry concept, which requires a large helicopter fleet, has attracted the Iranian ruler's interest.

Implications for the United States

Much of this interest is no doubt due to prudent forward planning in an era when leadtimes for new weapons stretch out to years. However, with the departure of the British, the Shah sees Iran as the major Gulf power and in need of a truly credible deterrent. He is thus already looking beyond the immediate post-1971 period and seeks to prepare Iran for the pivotal role which, in his view, it should play in the region. He believes that only he and his government can determine Iran's present and future military requirements commensurate to its new role.

Thus, outsiders' estimates of what Iran needs will not necessarily determine what Iran will seek to acquire. Iran will try to fill its self-determined military needs, even if a principal supplier should balk. Doubtless, other sources will be available. The Shah has also been mindful of the hazards inherent in reliance on a single outside supplier, particularly since the U.S. cut off military supplies to Pakistan in 1965.

The Shah still values highly his relationship with the U.S., but he sees it increasingly in terms of American willingness to assist in the upgrading of his forces. Today, this means primarily the provision of sales credits and expert advice in dealing with commercial U.S. arms suppliers.

The U.S. military mission in Iran has evolved into a high-level joint planning body providing expertise in setting force goals and developing plans for efficient use of Iranian manpower. The Shah views ARMISH/MAAG primarily as a servicing agency to monitor and facilitate U.S. military sales to Iran and stateside training of Iranian pilots and specialists. There is little evidence that he pays much heed to any efforts on the part of ARMISH/MAAG to influence the scope of his armament efforts or his concept of what Iran needs. Rather, as the Shah has developed confidence in Iranian capabilities in military matters as well as in other fields, he has moved from a position of some dependence on his American advisers to one which sees them largely as a reliable and helpful channel to his American suppliers.

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In the evolution of his military relationship with the United States, the Shah has seized on that part of the Nixon Doctrine which recognizes the primary responsibility of regional powers for protecting the security and stability of specific areas. Consequently, in his mind the United States should be willing to provide Iran with the equipment and know-how required to play this role.

In negotiating future arms supply agreements with the U.S., the Shah possesses at least one concrete advantage. In a more relaxed international security environment the overall strategic value of Iran to the U.S. may become debatable. However, the United States retains facilities in Iran which are considered vital to U.S. national security interests. Substitutes may be available by about 1975, but as long as they remain of major importance to the U.S., the Shah can utilize this U.S. need in bargaining for arms supplies.

Diverging U.S. and Iranian Interests

For some years now Iran has followed a more assertive foreign policy, taking advantage of the dissipating cold-war atmosphere and Soviet desire to improve relations with its neighbors. This "independent foreign policy" has received a new impetus with the end of the British military presence in the Gulf. Iranian "condemnation" of the continued MIDEASTFOR presence in Bahrain, which they tell us is for public consumption only, is indicative of the Shah's desire to assert Iran's role as the Gulf's leading power. In principle, he wants no permanent foreign military presence in the Gulf and would prefer that no great-power competition between the U.S. and U.S.S.R. develop either in the Gulf or in the Indian Ocean.

This attitude is consistent with the Shah's long-time effort to restore Iran to a position of greater prominence. He has succeeded, at least for the time being, in his internal reforms and has muted the once-vocal opposition. Now the opportunity offers itself for a significantly expanded Iranian role in regional affairs. There can be no doubt that the Shah will exploit this opportunity as energetically as he can. He will wish to assert Iranian influence in the small amirates on the newly independent Arabian side of the Gulf. He will seek to exclude, or at least to limit, the influence of Iraq or other radical Arab regimes. In broad outline such a policy is likely to coincide with U.S. goals, but in specifics there will probably be divergences. The Shah and his government will certainly not wish to weaken seriously their ties with the U.S., but they may well object, at least in public, to any sign of U.S. interest in playing a proprietary role in Gulf affairs. The U.S. on its part may come to view some of the Iranian moves in Gulf affairs as adventurous and detrimental to overall Arab-Iranian relations and Gulf stability.

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Strains thus could develop which over time may contribute to a loosening of the close ties between the two countries without, however, leading to a serious estrangement. It is most unlikely that Iran will decide that it can dispense with U.S. support, no matter how much it may stress an independent foreign policy and an independent role in the Gulf.

In the shorter term, the greatest challenge to the harmony of the US-Iranian relationship lies in the three-way rivalry among Iran, Iraq, and Saudi Arabia for influence in the Persian Gulf area. As the friend of both Iran and Saudi Arabia, the U.S. would obviously be embarrassed by any dispute that arose between them.

It is probable that U.S.-Iranian relations would also be complicated by open hostilities between Iran and Iran. In these circumstances, Iraqi propaganda would undoubtedly play up Iranian supply of petroleum to Israel and proclaim Iranian complicity in the U.S.-backed "Zionist conspiracy." Even the conservative Arab regimes like that in Saudi Arabia would have to pay some deference to the cause of Arab solidarity, and the U.S. effort to preserve a meaningful dialogue with Egypt would become even more difficult than it is today.

The Shah would undoubtedly seek to project the image of close American support for Iran against Iraq, but he might not be very responsive to U.S. counsels of moderation. However, U.S. success in dealing with the problems postulated here would be fundamentally conditioned by the status of the international effort to promote a political settlement of the Arab-Israel dispute.

A factor hard to evaluate in terms of U.S.-Iranian relations is the internal situation in Iran. While there is little doubt that the Shah's "White Revolution" has fragmented the former opposition, leftist revolutionary youth groups have become active in the country. The dimensions of the dissidence are difficult to assess. As long as the Shah controls the security apparatus of the state, chances for a successful movement against his rule are probably small. Should he depart from the scene, whether through violence or natural causes, the position of the Pahlevi regime is likely to become much more precarious. Even if there is an orderly transfer of power, the new ruler will lack the Shah's prestige and experience, and the direction Iran may take under new leadership is impossible to foresee.

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